

As of December 31, 2009

Ticker STPZ	CUSIP 72201R205	Inception Date 8/20/2009	Fund Assets \$139.4 MM
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Portfolio Manager

Vineer Bhansali



Basic Facts

Management Fee*	0.20%
Total Annual Operating Expenses*	0.21%
Net Annual Operating Expenses*	0.20%
Dividend Frequency	Monthly

Bond Risk Measures

Effective Maturity (yrs)	2.98
Average Quality	AAA
Effective Duration (yrs)	2.31
# of Holdings	11

Sector Diversification (%)

	Market Value Weighted
Inflation-Linked Bond Exposure	99
Net Cash Equivalents	1

*Total expenses include the 0.20% management fee plus 0.01% of estimated organizational expenses for the Fund's first fiscal year. Expense reductions totaling 0.01% include a contractual agreement by PIMCO until October 31, 2010 to waive a portion of its management fees equal to 0.01% of average daily net assets.

Fund Description

The 1-5 Year U.S. TIPS Index Fund is the only exchange-traded fund (ETF) designed to capture, before fees and expenses, the returns of the shorter maturity subset of the Treasury Inflation-Protected Securities (TIPS) market by tracking The BofA Merrill Lynch 1-5 Year US Inflation-Linked Treasury IndexSM. The Fund aims to achieve the real return (above inflation), capital preservation, and low volatility level inherent in short maturity TIPS.

Investor Benefits

Compared to a broad TIPS index*, a short maturity TIPS index had less interest rate risk and exhibited (since the inception of the BofA Merrill Lynch 1-5 Year US TIPS Index on January 31, 2002):

- **Higher correlation to inflation** – The 1-5 Yr U.S. TIPS index had a 27% correlation to inflation, while the broad U.S. TIPS index had only a 6% correlation
- **Lower volatility** – The 1-5 Yr U.S. TIPS index had an annualized volatility of 4.3%, while the broad U.S. TIPS index had a 7.5% annualized volatility

Common to all TIPS, the short maturity TIPS also deliver:

- **Inflation protection** – TIPS provide a return that is linked to the monthly change in inflation, as measured by the CPI (consumer price index)
- **Low default risk** – TIPS are backed by the full faith and credit of the U.S. government as to the timely payment of interest and principal

The ETF structure allows for trading throughout the day and has the same expense ratio for all investors, regardless of size. Fund shares are publicly traded, offering accessibility to any investor who can access a major stock exchange.

The Fund Advantage

As a market leader and innovator in TIPS investing, PIMCO recognizes that investors may benefit from owning specific segments of the TIPS maturity spectrum. This recognition is a by product of PIMCO's expertise in TIPS management, a practice which began at the inception of the TIPS market in 1997 and today is one of the largest in the world. This fund seeks to avail investors of the potential benefits of short maturity TIPS exposure.

* Barclays Capital TIPS Index used as the broad TIPS index for comparison.

Investors should consider the investment objectives, risks, charges and expenses of this Fund carefully before investing. This and other information are contained in the Fund's prospectus, which may be obtained by contacting your PIMCO representative. Please read the prospectus carefully before you invest or send money.

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For more information,
please contact
your advisor, call

1-888-400-4ETF
(1-888-400-4383)

or visit

www.pimcoetfs.com

PIMCO 1-5 Year U.S. TIPS Index Fund



As of December 31, 2009

Performance Characteristics

SEC 30-Day Yield 1.84

About The Benchmark

The BofA Merrill Lynch 1-5 Year US Inflation-Linked Treasury IndexSM is an unmanaged index comprised of U.S. Treasury Inflation Protected Securities with at least \$1 billion in outstanding face value and a remaining term to final maturity of at least 1 year and less than 5 years. It is not possible to invest directly in an unmanaged index.

Inception date: January 31, 2002

Trading Information

Ticker Symbol
STPZ

CUSIP
72201R205

IIV (intra-day ticker)
STPZ.IV

Lead Market Maker
Kellogg Specialist Group

Exchange
NYSE Arca

To discover more about flexible and efficient PIMCO ETFs, please contact your advisor or visit pimcoetfs.com

Performance (Total Returns)

	Since Inception	1 mos	3 mos
PIMCO ETF			
NAV	3.25	-0.67	2.12
Share Price (Market Price)	3.33	-0.69	2.08
Benchmark	3.37	-0.63	2.18

Performance quoted represents past performance. Past performance is not a guarantee or a reliable indicator of future results. Current performance may be lower or higher than performance shown. Investment return and principal value will fluctuate, so that Fund shares may be worth more or less than their original cost when sold or redeemed. Performance data current to the most recent month-end is available at www.pimcoetfs.com or by calling (888) 400-4383.

About PIMCO

PIMCO, founded in 1971, is a global asset management firm serving a full range of institutional and retail investors worldwide. Our reputation as one of the world's top asset managers rests on our combination of a long-term investment approach, superior client servicing and cutting edge technology. With offices in nine countries in North America, Europe and Asia, we manage investments across a full spectrum of global financial markets. Our success is built on our ability to consistently provide attractive returns while maintaining a strong culture of risk management and long-term discipline.

*Barclays Capital TIPS Index used as the broad TIPS index for comparison.

Full Range of Investment Strategies

PIMCO offers access to these other investment strategies. To learn more, please visit www.pimco-funds.com.

Alternatives	Asset Allocation	Core
Credit	Emerging Markets	Equity
Global	Inflation Protection	Tax Efficient

Shares of the Fund are not individually redeemable and may only be acquired from and redeemed to the Fund in Creation Units. Investors may buy or sell individual shares in secondary market transactions that do not involve the ETF. Shares of the Funds are bought and sold at market price (not NAV). Brokerage commissions will reduce returns. Investment policies, management fees and other information can be found in the individual ETF's prospectus. The market price is determined using the midpoint between the highest bid and the lowest offer on the listing exchange, as of the time that the Fund's NAV is calculated.

An investment in an ETF involves risk, including the loss of principal. Investment return, price, yield, and NAV will fluctuate with changes in market conditions. Investments may be worth more or less than the original cost when redeemed. U.S. Government securities are backed by the full faith of the government; portfolios that invest in them are not guaranteed and will fluctuate in value. Inflation-linked bonds (ILBs) issued by a government are fixed-income securities whose principal value is periodically adjusted according to the rate of inflation; ILBs decline in value when real interest rates rise. Treasury Inflation-Protected Securities (TIPS) are ILBs issued by the U.S. Government. Derivatives may involve certain costs and risks such as liquidity, interest rate, market, credit, management and the risk that a position could not be closed when most advantageous. Investing in derivatives could lose more than the amount invested.

The value of most bond funds and fixed income securities are impacted by changes in interest rates. Bonds and bond funds with longer durations tend to be more sensitive and more volatile than securities with shorter durations; bond prices generally fall as interest rates rise. Duration is the measure of a bond's price sensitivity to interest rates and is expressed in years.

The credit quality of a particular security or group of securities does not ensure the stability or safety of the overall portfolio. The Average Credit Quality ratings are provided to indicate the credit worthiness of the underlying bonds in the portfolio and generally range from Aaa (highest) to B (lowest).

Current holdings are subject to risk. Holdings are subject to change at any time. The per share NAV of the Fund is calculated at the end of each business day, and fluctuates with changes in the market value of the Fund's holdings. The trading prices of the Fund's shares fluctuate continuously throughout the trading day based on market supply and demand, which may not correlate to NAV.

Barclays Capital U.S. TIPS Index is an unmanaged market index comprised of all U.S. Treasury Inflation Protected Securities rated investment grade (Baa3 or better), have at least one year to final maturity, and at least \$250 million par amount outstanding. Performance data for this index prior to 10/97 represents returns of the Barclays Capital Inflation Notes Index. Prior to November 1, 2008, this index was published by Lehman Brothers. It is not possible to invest directly in an unmanaged index.

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